Procedure Name:	REVENUE-GENERATING ACTIVITIES	coast mountain college
Approved By:	President's Council	
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Procedure Holder:	VP, Academic, students, and International	
Operational Lead:	Director, Finance	
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REVENUE-GENERATING ACTIVITIES PROCEDURE

1.00 PURPOSE

1.1 This procedure provides details of Coast Mountain College's (CMTN's) commitment to expand revenue-generating activities to support the delivery of quality education programs, services, and activities.

2.00 DEFINITIONS

2.1 **Direct Costs**: Costs that can be directly and easily attributed to a particular self-funded activity.

2.2 **Indirect Costs**: Resources that are consumed by revenue-generating activities but at a level and in a manner that makes them more difficult to attribute and cost directly.

3.00 IDENTIFICATION OF REVENUE-GENERATING ACTIVITIES

3.1 Faculty, staff, and administrators who see a potential for revenue-generating activities should inform their immediate administrator of the opportunity.

3.2 Employees will adhere to CMTN's employee conflict of interest guidelines (in HMR-001, *Employee Code of Conduct Policy*) when considering or engaging in cost-recovered and revenue-generating activities.

3.3 Revenue-generating activities delivered through an instructional or service unit of the College will be in partnership with Workforce Training & Contract Services (WTCS) and could include other external institutions, agencies, or partners. The decision will be made through consultation between the Deans or Associate Dean of the appropriate units and WTCS.

4.00 FEASIBILITY STUDY

4.1 Initial contact with potential contractors and clients will be made under the authority of the appropriate Vice-President, or Deans or Associate Dean of the appropriate units and WTCS.

4.2 Early in the feasibility considerations, decisions must be made on the merit of the College's involvement with the proposed revenue-generating activity. The following factors need to be considered:

a) relevance for college strategic directions

b) relationship to ongoing college program and services

c) potential to generate full-time equivalents (FTEs; immediate and future)

d) potential to generate net earnings

e) ability to create new capacity

f) potential long-term cost and implications

g) faculty, staff, and administrative roles and other operational implications

h) facility requirements

i) client's ability to pay and to enter into a contract

j) readiness of the client organization

k) risk involved in the project.

4.3 An individual or cross-functional team will be identified to assume responsibility for further development of contract feasibility including:

a) consultations with the contractor or client

b) consultations regarding expertise required, including possible internal and external partnerships

c) consultation regarding internal and external logistics and required support services

d) development of budget for proposed activity to determine cost feasibility

e) development of draft proposal for service or contract.

4.4 Clear responsibility for management of any contracted project will be identified as part of the feasibility study and/or contract negotiations.

4.5 When potential contracts have a major impact on College operations, either as a result of size or budget, inherent risk, and/or major new directions for the College, the proposal will be tabled at the President's Council (PC) for discussion and direction.

4.6 Costing of potential activities is covered in Costing Model (Section 8.00).

5.00 CONTRACT PREPARATION

5.1 Contracts must be in writing and formally signed, regardless of the standing of the other party.

5.2 Contract language will be used that minimizes College exposure to risk or liability.

5.3 Approved College contracts are *General Service Contract Template* or *Standard Form Contract Template*.

a) Changes to template language need to be approved by the Vice-President of Corporate Services.

5.4 The legal and financial risk on revenue-generating activities may differ from base programs.

5.5 The Dean of WTCS will be responsible for consulting with the Vice President of Corporate Services to ensure appropriate advice and coverage is obtained on legal, financial, and insurance matters.

5.6 Where the terms of engagement are simple and the dollar value is low (less than $25,000), the approved WTCS contract can also be used.

5.7 The WTCS Department will be responsible for submitting to the Financial Services Department a copy of the contract, a completed budget, and a project implementation plan.

5.8 In establishing the terms of payment, the timing of payments by the other party should be such that a positive cash flow is maintained.

6.00 CONTRACT APPROVAL

6.1 The Dean of WTCS has the authority to commit the College to a domestic contract for up to $25,000 and is accountable for contract delivery.

a) Contracts may be signed by another Dean or Director, or by another College official, if required (for example, for ceremonial signing, to meet client requirements, etc.).

6.2 Domestic contracts over $25,000 require the approval of the appropriate Vice-President, in consultation with the WTCS/ Strategic Enrolment Management (SEM) departments.

a) Contracts will be signed by both the Dean and Vice-President.

6.3 International contracts require the approval of the appropriate Vice-President in consultation with the President’s Council.

7.00 CONTRACT MANAGEMENT

7.1 The Administrator coordinating the project is responsible for project management, maintaining non-financial records, activity reporting, and project evaluation.

7.2 Financial reporting is completed through the Financial Services Department, which is responsible for maintaining financial records for audit purposes and for supporting the development of financial reports, as required by the contractor.

7.3 All collection of revenue will be through an official College invoice issued by Financial Services.

7.4 Financial management and transactions of revenue-generating activities will be consistent with the policies and procedures that apply to all College activities.

8.00 COSTING MODEL

8.1 When CMTN contracts with an organization to provide services, the true and total costs of delivering the services will be paid by the client organization and, wherever possible, reasonable net earnings above the direct and indirect costs will be built into the pricing of the College’s services.

8.2 Contract funds that essentially “flow through” to other organizations are generally exempt from the costing model.

8.3 A contract that is deemed a priority for the College (for example, by leading to a longer-term benefit to the College) and has revenues that will not cover all expenditures may be exempted from full application of the costing model by the President’s Council on a case-by-case basis.

a) This exemption must be approved prior to entering into a formal contract.

8.4 International students applying to a cost-recovered/revenue-generating program can be charged 1.5x the established fee set for domestic students with Vice-President approval.

9.00 DIRECT AND INDIRECT COSTS

9.1 Revenue will at least meet expenditures, and expenditures must include all direct and indirect costs.

9.2 Direct costs include those that can be directly and easily attributed to a particular self-funded activity, such as:

a) costs of faculty and staff specifically related to the activity (see below for salary/benefit rates)

b) costs of contracted work

c) costs of the WTCS Department staffing involved in the development, negotiation, and/or management of the activity

d) program supplies and materials

e) mileage, travel, meals, catering, etc.

f) off-campus facility rental or purchase

g) advertising (from outside sources)

h) additional identifiable furniture and equipment, including computing needs and charges for special communication requirements (e.g., cellular telephones, videoconferencing)

i) computer hardware and software, library collections, and other capital costs, acquired for contracted activities

j) non-capital small tools and equipment (less than $5,000)

k) greater than normal use of:

i. printing and photocopying
ii. long distance charges
iii. postage
iv. extensive and/or special requirements from support areas
v. computing services
vi. audiovisual/educational technology services.

9.3 A standard rate for the recovery of salaries for staff and faculty working on cost recovered and revenue-generating activities as part of their departmentally assigned workload will be established annually.

a) This rate will incorporate applicable benefits, including health, vacation, professional development, paternity/maternity, and education leave provisions.

9.4 Contracts that are expected to be one-time only or are occurring for the first time may negotiate with the appropriate Vice-President and the Vice President of Corporate Services, a without-precedence, without-prejudice one-time rate.

a) This rate will include all benefits and provides the WTCS Department with discretion to charge a rate to secure the first contract.

9.5 Staff and administrators will be budgeted at the appropriate pay level and will be charged against the contract, where permitted.

9.6 Indirect costs include those resources that are consumed by revenue-generating activities but at a level and in a manner that makes them more difficult to attribute and cost directly, such as:

a) personnel and payroll services

b) accounting and purchasing services

c) cleaning and maintenance

d) computing services (network services)

e) student and learner services (e.g., registration, advising, counseling, audio-visual, library)

f) utilities, telephone, fax, and security

g) photocopying, printing and postage.

9.7 Because contracted programs do not normally need the same amount of student and/or administrative support services as base-budget educational programs, a two-tiered rate for indirect costs will be established (subject to annual review) as follows:

a) assuming that maximum of direct costs are built into program, a minimum 10% to be charged for both on- and off-campus contracts

b) on contracts where there is no mechanism to break down direct costs, a maximum of 42% to be charged which would be allocated as below:

i. 22% staff wage recovery
ii. 10% College administration
iii. 5% department recovery
iv. 5% communications/marketing.

10.00 RELATED POLICIES, PROCEDURES, AND SUPPORTING DOCUMENTS

10.1 FIN-008, *Revenue-Generating Activities Policy*

10.2 HMR-001, *Employee Code of Conduct Policy*

11.00 HISTORY

Created/Revised/ Reviewed	Date	Author's Name and Role	Approved By
Created	Sept 3, 2019		President's Council